



**MOBILE COUNTY PUBLIC
SCHOOL SYSTEM
POLICY BOOK**

**CHAPTER 7:
FISCAL AND BUSINESS
MANAGEMENT**

Chapter 7.00 – Fiscal and Business Management

- 7.10 Fiscal Year
- 7.11 Fund Balance
- 7.12 Chief Financial Officer

- 7.20 Annual Budget
- 7.21 Priorities
- 7.22 Deadlines and Schedules
- 7.23 Budget/Adjustments
- 7.24 Funding Proposals and Applications

- 7.30 Investments
- 7.31 Revenues from School-Owned Property
- 7.32 Fees, Payments, Rentals
- 7.33 Grants from Private Sources
- 7.34 Gifts, Donations and Bequests

- 7.40 Deposit and Expenditure of Funds
- 7.41 Authorized Signatures/Check Writing Services
- 7.42 Bonded Employees and Officers
- 7.43 Internal Accounts
- 7.44 Audits
- 7.45 Worthless Checks

- 7.50 Purchasing Authority
- 7.51 Bidding Requirements
- 7.52 Local Purchasing
- 7.53 Surplus Equipment and Supplies
- 7.54 Stale Checks
- 7.55 Cash in School Buildings
- 7.551 Petty Cash Accounts
- 7.56 Vending Machine Contracts

- 7.60 Liability
- 7.61 Insurance Program
- 7.62 Inventory Control

- 7.70 Payrolls
- 7.71 Salary Deductions
- 7.72 Non-Travel Expense Reimbursement
- 7.721 Travel Expense Reimbursement/Part 200 Requirements
- 7.73 Use of Vehicles and/or Equipment

- 7.80 Child Nutrition Program Management
- 7.81 Sanitation Inspections
- 7.82 Price and Payment of School Food Services
- 7.83 School Sale of Competitive Food and Beverages
- 7.84 Special Functions
- 7.85 Food Safety Program
- 7.86 Charged Meal Policy
- 7.87 Cash Management for Federal Funds
- 7.88 Determination of Allowable Costs
- 7.89 Conflict of Interests

- 7.90 Procurement

FISCAL YEAR

Reference: Alabama Code - §16-13-1

Date Adopted: December 11, 2007

FUND BALANCE

For purpose of this policy, one month's operating balance is defined as all general fund expenditures, including transfers out, as of September 30, divided by twelve (12) months.

The Board of School Commissioners of Mobile County recognizes that the management of school system funds necessitates the development of an adequate fund balance to guard against pro-ration, natural disasters and emergencies, and as required by Act No. 2006-196.

The Board of School Commissioners of Mobile County will maintain a minimum of one month's operations in the General Fund, as calculated using data from the September 30 General Purpose Financial Statement.

Reference – Procedures: Fund Balance

Statutory Reference: School Fiscal Accountability Act (Act No. 2006-196)

Date Adopted: December 11, 2007

**PROCEDURE:
FUND BALANCE**

- The superintendent and staff will develop fiscally prudent operating budgets utilizing budget year funding allocations.
- During the normal course of business, the superintendent and staff will monitor budgets on a monthly basis to ensure that expenditures do not cause the fund balance to fall below one month's operating balance and provide documentation to the board evidencing compliance.
- Any excess revenue over expenditures balances that may occur annually will be added to the general fund balance until it reaches one month's operations, as required by Act No. 2006-196.
- In the event of pro-ration, natural disasters or emergencies, the board must approve expenditures that could potentially cause the fund balance to fall below one month's operation.

CHIEF FINANCIAL OFFICER

The board shall appoint a chief financial officer who will supervise the Finance Department under the direct supervision of the superintendent.

ANNUAL BUDGET

The superintendent is responsible for the preparation and presentation of the annual school budget to the board for its consideration. Budget development will incorporate the board's strategic plan initiatives and goal of maintaining one month's reserve fund. The budget development process will be carried out in accordance with state law and State Board rules.

PRIORITIES

Appropriations made by the board shall be made in the following order:

1. Payment of all charges required by legislative act;
2. Payment of all interest charges and sinking fund for the retirement of all existing indebtedness; and
3. Operation, maintenance, and support of all other departments, institutions, agencies, and charges.

If the board should determine at any time that the total income is insufficient to make all appropriations payable in full in the amounts named in such appropriations, the board shall be required to restrict appropriations, beginning with those placed in the third classification which shall be reduced proportionately until such appropriations are completely extinguished; thereafter the appropriations in classification two shall be reduced proportionately; and so on in this order until, in the opinion of the board, the appropriations shall equal the estimated income; provided, however, that in the event there are sufficient funds at the end of a fiscal year to pay all appropriations in the amounts named, that all appropriations shall be paid in full.

Note: Based on local act which is inconsistent with current law and practice.

DEADLINES AND SCHEDULES

A budget, showing the entire expenses and income of the public schools of Mobile County, shall be prepared and be submitted in an open meeting for final adoption.

Note: Based on local act which is inconsistent with current law and practice.

BUDGET ADJUSTMENTS

The superintendent monthly will give a progress report on the relationships between revenues and expenditures in the budget.

The superintendent will inform the board concerning the status of the budget and recommend for board approval revisions as needed.

FUNDING PROPOSALS AND APPLICATIONS

The board will seek sources of revenue to supplement the funds provided through local taxation and the basic aid offered by the state.

To ensure coordination in developing proposals and making application for specially funded programs, the superintendent will establish guidelines for the preparation of proposals and their review as appropriate.

Date Adopted: December 11, 2007

INVESTMENTS

Funds will be invested to earn the highest yield possible in a qualified public depository as defined by state law. Interest earned from such investments will be deposited to the respective fund. The superintendent will oversee a prudent investment program.

Legal Reference: Alabama Code - §14-14A-1 *et seq.*
Date Adopted: December 11, 2007

REVENUES FROM SCHOOL-OWNED PROPERTY

School properties may be rented at rates which offset direct costs. School lands will be managed as an income-producing enterprise. School lands may be rented or leased for various purposes at a rate comparable to market value for the specific land and use.

Fees collected will be transmitted to Business Operations in accordance with steps outlined in the rental agreement.

FEES, PAYMENTS, AND RENTALS

The superintendent will recommend to the board for approval all plans for fees, rental and tuition income.

GRANTS FROM PRIVATE SOURCES

Reference: Alabama Code - §16-13-32.

Date Adopted: December 11, 2007

GIFTS, DONATIONS AND BEQUESTS

All gifts, donations and bequests shall become the property of the board. The board may, under unique situations, accept gifts, donations or bequests which do not become board property.

Date Adopted: December 11, 2007
Date Revised: June 28, 2016

DEPOSIT AND EXPENDITURE OF FUNDS

Deposits

All income payable to the board shall be deposited with qualified depositories, as defined by law, in the manner outlined by the chief financial officer.

Expenditures

The superintendent or his or her designee may spend funds budgeted for operations without board approval unless the expenditure involves a personal services contract or is subject to the bid law.

All expenditures shall be systematically recorded in line with various sections of the budget in order that a true and accurate relationship between classified expenditures and the budget can be determined at all times.

All invoices shall be paid regularly, month by month, in order that the financial status of the Mobile public schools can be accurately determined at all times and invoices covering all expenditures of the board other than those supported by personnel payrolls shall be systematically filed.

Legal Reference: Alabama Code - §16-13A-8 (expenditures); §41-14A-1 et.seq. (deposits)

Date Adopted: December 11, 2007

Date Revised: June 28, 2016

**AUTHORIZED SIGNATURES/
CHECK WRITING SERVICES**

Checks drawn on the general fund or any special fund, with the exception of the local school activity fund, require the signature of the superintendent and the chief financial officer. Checks drawn on local school activity funds require the signature of the principal.

All checks used will be prenumbered. All checks drawn on board funds may be signed by a machine provided by the board, under the direct supervision of the Business Services Department.

The board will designate the authorized signatures for depositories to honor.

Legal Reference: Alabama Code - §Act 16-13A-8

Date Adopted: December 11, 2007

BONDED EMPLOYEES AND OFFICERS

Board employees and officers responsible for handling or expending school funds or property shall be adequately bonded at all times as prescribed by State Board of Education regulations.

Legal Reference: Alabama Code - §16-13A-12
Date Adopted: December 11, 2007

INTERNAL ACCOUNTS

Internal accounts shall be established for local schools. All internal accounting will be in accordance with standards of a uniform accounting system prescribed or approved by the State Department of Education. Principals have the authority and responsibility for receipt, disbursement and adequate accounting of all internal school funds.

AUDITS

Internal:

Internal accounts are audited annually. The internal auditor, prior to submitting the findings to the board, shall advise each principal of the findings. Within ten working days, the principal will, in writing, respond to the findings and/or outline his/her plans for alleviating the major criticisms, if any. His/her written response will become part of the report submitted to the board.

The internal program auditor may be provided representation in civil and criminal proceedings in which he is sued, subpoenaed, or charged in this individual capacity when the actions for which representation reasonably appears to have been performed within the scope of the employee's employment and providing representation would otherwise be in the interest of the board.

When the internal program auditor believes he/she is entitled to representation by the board in a civil or criminal proceeding he/she should submit a written request for the representation together with all process and pleadings served upon her/him to the superintendent. Unless the superintendent concludes that representation is clearly unwarranted, he/she will submit in a timely manner to the board's attorney a statement containing his/her findings as to whether the internal program auditor was acting within the scope of his/her employment and his/her recommendation for or against providing representation. The statement should be accompanied by all available factual information. In emergency situations, the board attorney may initiate conditional representation after a telephone request from the superintendent or by a majority vote of the board. In such cases, the written request and appropriate documentation must be subsequently provided.

Upon receipt of the internal program auditor's request for counsel, the board attorney will determine whether the internal program auditor's actions reasonably appears to have *been* performed within the scope of his/her employment and whether providing representation would be in the best interest of the board. In circumstances where considerations of professional ethics prohibit review of the fact by the board attorney because of the existence of a possible inter defendant conflict, the board attorney may delegate the fact finding aspects of this function to a private attorney at the board's expense.

The board may assume responsibility for legal expenses incurred for representation of the internal program auditor under the provisions of this policy when in its judgment the action taken by the internal program auditor which forms the basis for the legal action against him/her was clearly within the purview of the board's policies.

Legal Reference: Alabama Code Act 07 § 16-13A-7

Date Adopted: December 11, 2007

WORTHLESS CHECKS

The Board of Education authorizes the superintendent to charge a fee for worthless checks and to implement procedures for collection of worthless checks written to the school system, including referring the matter to the district attorney for prosecution.

Uncollected fund balances in the Child Nutrition Program will not be carried over from one fiscal year to the next. Monies will be taken from non-public funds at the end of the fiscal year to cover the amount of the worthless checks. When payment has been received, the funds will be deposited into the non-public fund account.

PURCHASING AUTHORITY

The Purchasing Department will strive to obtain maximum value for money spent for equipment, materials or services. Insofar as possible, the department will propose standards and specifications for all equipment, materials, supplies and services to be purchased.

Purchases will be initiated by a written requisition bearing the signature of the appropriate administrator. The Purchasing Department has authority to question the quality, quantity and kind of material requested. In unusual or emergency situations, the Purchasing Department is authorized to make purchases by telephone to be followed by a confirming purchase order.

Date Adopted: December 11, 2007

BIDDING REQUIREMENTS

Reference: Alabama Code - §41-16-50

Alabama Code - §41-16-51

Alabama Code - §41-16-53

Alabama Code - §41-16-54

Alabama Code - §41-16-57

Legal Reference: Alabama Code - §41-16-2 et seq.

Date Adopted: December 11, 2007

LOCAL PURCHASING

The principal is responsible for assuring all purchasing at the school level conforms to board policies, business office procedures and regulations.

All purchases exceeding \$500 are to be approved by the chief financial officer. Principals are prohibited from entering contracts on behalf of the local school.

Date Adopted: December 11, 2007

SURPLUS EQUIPMENT AND SUPPLIES

Obsolete, uneconomical or inefficient surplus property which serves no useful purpose may be disposed of in accord with state law and regulations. Prior to disposal, reasonable attempts should be made to salvage all or part of any item of property for school use.

When it is no longer practical that property be retained, it shall first be offered for sale or transfer to other state agencies. When not disposed of in this manner, the property may be offered for sale to the public.

The sale of equipment and supply items will be conducted on a competitive basis by use of sealed bids at a public auction to the highest bidder.

The director of Purchasing is responsible for administering all sales, but transactions and procedures will have prior approval of the chief financial officer.

Any remaining surplus property may be declared unusable and disposed of in a reasonable, environmentally sound manner, including donation to appropriate nonprofit groups.

STALE CHECKS

Each year the treasurer-comptroller shall make a complete list of all checks written off, showing check number, payee, amount of check and date of check. Banks shall be furnished a list of all outstanding checks written off and shall be instructed not to cash such checks.

Date Adopted: December 11, 2007

CASH IN SCHOOL BUILDINGS

All monies collected within the schools shall be prudently handled and safeguarded.

Monies collected by employees for any purpose shall be submitted to the school principal or his designee who shall provide for its prompt and proper deposit. Money shall not be left overnight in classrooms. Monies totaling \$25.00 or more are to be deposited and not left on school premises overnight.

Date Adopted: December 11, 2007

PETTY CASH ACCOUNTS

Petty cash accounts are prohibited.

Date Adopted: December 11, 2007

VENDING MACHINE CONTRACTS

Principals and department managers may allow vending machines in their respective schools and departments only in accordance with the current vending contract approved by the Board and signed by the Superintendent.

It is the responsibility of the vendor and the principal to insure all State Laws and Child Nutrition Guidelines regarding the operation of vending machines are met.

Reference – Procedures: Local School Accounting Procedures, Section I

State References: Alabama’s Healthy Snack Standards for Foods and Beverages at School
Alabama Department of Education Log #FY02-3005

Legal References: USDA Rule, 7 CFR 210.11 and 220.12
Date Adopted: July 24, 2008

LIABILITY

Liability claims shall be referred to the State Board of Adjustment.

Date Adopted: December 11, 2007

INSURANCE PROGRAM

The Business Division and Facilities Division will develop and implement an insurance program to cover the buildings and property owned by the Board, taking into consideration financial feasibility, advice from professionals in the field, availability of State Insurance Program coverage and self-insurance options. The program should be evaluated periodically and the analysis submitted to the superintendent and Board for review.

A cumulative, up-to-date record will be kept of all insurance records and policies on school buildings, equipment and insurable properties.

Legal Reference: Alabama Code §16-8-42

Date Adopted: July 24, 2008

INVENTORY CONTROL

The superintendent is responsible for implementing and maintaining inventory on all fixed assets and equipment.

The primary responsibility for inventory control rests with Business Operations and will be regulated in accordance with standard accounting procedures and practices.

Principals are responsible for reporting changes in inventory to Business Operations, Local School Accounting Office. The principal will be held accountable for inventories at the local school and will be held personally accountable for any unreported losses. The principal has the prerogative to hold the individual teacher in the assigned classroom areas responsible for losses of equipment, should said losses not be reported to the principal as they occur.

A physical inventory of all fixed assets and equipment will be made on an annual basis by the financial division. Other physical inventory of supplies may be made at the discretion of appropriate staff.

Legal Reference:

Date Adopted: December 11, 2007

PAYROLLS

All employees of the board shall be paid on the basis of payrolls approved by the supervisor responsible for the employee (i.e., principal, director, etc.) except as otherwise directed by the superintendent.

The treasurer-comptroller shall pay promptly all payrolls.

All regular employees of the board will be paid at least monthly with checks distributed according to a schedule annually established by the superintendent.

Date Adopted: December 11, 2007

SALARY DEDUCTIONS

With the exceptions of deductions for absences not covered by paid leave and those required by law, all categories of deductions from salary must be approved in writing by the employee.

Reference: Alabama Code - §16-22-6
Alabama Code - §16-22-17

Date Adopted: December 11, 2007

NON-TRAVEL EXPENSE REIMBURSEMENT

Expenses, other than travel expenses, incurred in the performance of duties shall be reimbursed, provided said expenses are authorized by the appropriate official in charge of the budget account incurring said expense and appear to be reasonable amounts for the charges incurred and with the approval of the supervisor as spelled out in the procedures of the division incurring the expense. Expenses shall be reimbursed up to \$200.00; expenses greater than \$200.00 shall be reimbursed with advance approval of the purchase by the appropriate Business Division Representative.

Date Adopted: December 11, 2007

Date Revised: June 28, 2016

TRAVEL EXPENSE REIMBURSEMENT / PART 200 REQUIREMENTS

Employees: Student Sponsors

Local school funds may be used to reimburse actual documented expenses of professional employees who serve as sponsors on student educational excursions.

Employees: In-County

Employees traveling within Mobile County on approved travel shall be reimbursed for personal vehicle usage expenses at the cost-per-mile rate currently accepted by federal and/or state laws applicable at that time.

Employees: Out-of-County

Travel related expenses incurred in the performance of duties or assignments is reimbursable, provided said employee has obtained prior approval for travel from the superintendent or his/her designee and provided the expenses are reasonable and are authorized by the appropriate officials in charge of the budget account to be charged. All authorized expenses with the exception of personal vehicle usage expenses will be reimbursed at actual cost to the employee for all eligible expenses. Personal vehicle usage expenses will be reimbursed at the cost-per-mile rate currently accepted by federal and/or state laws applicable at that time. Documentation of expenses is required. Board personnel shall travel by tourist class when on authorized travel, but will be eligible for first class travel when tourist class is not available.

Board Members: Out-of-County

Board members shall inform the other members of the board of any plans to travel on official board business. If possible, notice should be provided in advance and in writing. Board members will be reimbursed for actual expenses while on official business travel provided that necessary documentation is submitted and costs are reasonable in light of the event and location. Personal vehicle usage expenses will be reimbursed at the cost-per-mile rate currently in use by the system. If air travel would have been less costly, the vehicle usage expenses only will be reimbursed based on the average cost of advanced-purchased coach travel. All board travel reimbursement requests are to be shared with all board members.

Board members are expected to travel economically and will travel tourist class when on official business travel. Board members will be eligible for full reimbursement for first class travel only if tourist class is not available.

Part 200 Requirements

The board's travel policy provides for reimbursement and payments for travel costs of employees paid from federal funds that is consistent with the travel costs for board employees paid from state or local funds.

**Legal Reference: Alabama Code - §16-1-6; §16-13-14; U.S. Department of Education and
U. S. Department of Agriculture Part 200 Requirements**

Date Adopted: December 11, 2007

Date Revised: September 28, 2016

USE OF VEHICLES AND/OR EQUIPMENT

Board vehicles and/or equipment may not be used for personal business.

The assignment of system-owned vehicles and/or equipment to supervisory personnel is strictly for the purpose of expediting the delivery of services by board employees and should not be construed by employees as a fringe benefit.

Reference – Procedures: Use of Vehicles and/or Equipment

Date Adopted: December 11, 2007

**PROCEDURE:
USE OF VEHICLES AND/OR EQUIPMENT**

1. Mobile County Public School System Vehicles are provided for the following purposes:
 - a. Transporting materials, tools or equipment used by employees in their daily job assignment.
 - b. Transporting employees whose job assignments require extensive travel within the system.
2. Driver Qualifications
 - a. Driver must hold a valid license for the operation of the type of vehicle to be driven.
 - b. Driver's experience record shall not prevent his/her insurability with the system's insurance carrier.
3. Each driver must exert every reasonable effort to assure that his/her assigned vehicle is maintained in a safe operating condition. The driver shall perform a visual daily inspection to detect need for any obvious necessary adjustments or repairs. This inspection should include, but not necessarily be limited to, tires, glass, lights, horn, windshield wipers, brakes, exhaust system, etc. Any defects noted should be reported to the employee's supervisor for corrective action.
4. In the event of an accident on the public streets involving a system vehicle, the driver should:
 - a. Render such assistance as warranted to any injured person(s)
 - b. Report the accident to appropriate law enforcement authorities dependent upon the geographic location.
 - c. Secure the name(s) of the insurance carrier of all vehicle(s) involved in the accident as well as the names and addresses of all persons involved in the accident along with those people who witnessed the incident.
 - d. Immediately report the accident to his/her respective system supervisor for information and/or assistance. However, the driver should exercise caution not to:
 1. Leave the accident scene until authorized to do so by the investigating police.
 2. Make any statements at the scene accepting responsibility for the accident.

5. No system employee shall operate a system vehicle while under the influence of alcohol, drugs, or any controlled substance. A legal conviction for the violation of this provision shall be cause for dismissal.
6. A vehicle owned by the system shall not be used by an employee for personal use nor may it be driven by a member of the employee's family.
7. The use of system credit cards shall be limited to purchases of fuel for system owned vehicles or as otherwise approved by the administrator who issued the cards.
8. The personal use of system vehicles is strictly prohibited. The misuse of system vehicles or gasoline credit cards could result in the criminal prosecution of the offending individual(s).
9. A contemporaneous log shall be maintained in each system owned vehicle. The log shall be kept on approved system log forms. Each supervisor shall be responsible for approving the logs.
10. Vehicle must use system services for normal and routine fueling purposes while operating in the system area. The responsibility for fueling a vehicle and maintaining the proper crankcase lubricating oil level is placed on the assigned driver.
11. The vehicle should be securely locked at all times in the absence of the assigned driver.
12. All vehicles must be stored overnight in system facilities unless otherwise authorized for potential emergencies which might arise during non-use hours as approved by the superintendent or his designee. Personnel who may be required to return to duty on an emergency basis, using personal transportation for the event, shall be reimbursed at the established rate per mile. The employee shall keep a log to document such travel.
13. All procedural statements concerning vehicles shall apply as applicable to equipment.
14. All system owned vehicles will be marked with the system emblem and vehicle identification number. Exception to the rule must be made in writing by the superintendent.
15. The Fixed Assets Department will notify the Local School Accounting Office of changes in vehicle status. The Local School Accounting Department will place and maintain proper insurance coverage on each system vehicle during the period of system ownership.

In the event of an accident involving the vehicle, the department head will submit to the Local School Accounting Department a Vehicle Accident Report within 24 hours of the accident. The Local School Accounting Department will file the necessary reports (claims) with the insurance carrier.

CHILD NUTRITION PROGRAM MANAGEMENT

The Child Nutrition Program (CNP) shall provide food service for breakfast and lunch in all schools where feasible. The CNP management shall be coordinated within the Business Operations Division, with the local school principal responsible for its management in his/her school.

Date Adopted: December 11, 2007

SANITATION INSPECTIONS

The principal has primary responsibility in seeing that the child nutrition staff meets applicable rules and regulations relative to sanitation. The principal may request assistance from the Business Operations Division in discharging this responsibility.

Date Adopted: December 11, 2007

PRICE AND PAYMENT OF SCHOOL FOOD SERVICES

Students and employees are eligible to participate in a Mobile County Child Nutrition Program. Meals and a'la carte items are for consumption during the regular school day. Except for meals provided for officially approved field trips, all food must be consumed on campus unless authorization for take-out meals is given by the chief financial officer.

The unit price of breakfast and lunch paid by students and adults in local schools will be approved by the superintendent. Only students officially approved for free or reduced-price meals in accordance with state and USDA guidelines may be served food and/or beverages without charge or at a reduced price. Cashiers will collect all payments due for meals, extra portions and a'la carte items at the time the food service is provided.

The principal may invite parents and other guests to have a meal at school on special occasions or when the guest is at the school performing volunteer services. Guests served by the Child Nutrition Program shall pay the adult price for the meal unless the cost of the meal is paid by the principal who extends the invitation. Meals and a'la carte foods may not be sold to guests or the public on a request and/or carry-out basis.

Date Adopted: December 11, 2007

SCHOOL SALE OF COMPETITIVE FOOD AND BEVERAGES

During meal service times, “Child Nutrition Program” may sell only those competitive foods and beverages which make a significant contribution to the students’ daily requirement for nutrients. Food services operated for profit in the school, separate and apart from the non-profit breakfast and lunch program, may not operate. All income from concessions or extra sale items being vended or sold during meal service periods must be deposited into the Child Nutrition Program account.

Reference: State Board of Education Resolution (as amended) July 12, 2005

Resource: Statewide Committee to Review the State of Health of America’s Youth with Particular Emphasis on Alabama’s Youth: Implementation Guidelines for Exercise and Nutrition

Legal Reference: P.L. 108-265 Section 204
Date Adopted: December 11, 2007

SPECIAL FUNCTIONS

Special functions include the preparation of any meals, food or beverage by the Child Nutrition staff other than for programs (breakfast and lunch) approved under the official Child Nutrition application. Principals are authorized to approve special functions provided they conform to all approved policies and procedures, do not interfere with the serving of meals to students, and do not result in expenses to the Child Nutrition Program for food, supplies, utilities or labor. A report of each special function should be made to the Business Operations Division on an approved form and attached to the monthly child nutrition financial report.

FOOD SAFETY PROGRAM

For purpose of this policy, each school within the Mobile County Public School System will implement and maintain a food safety program based on the Hazard Analysis Critical Control Point (HACCP) guidelines as required by the United States Department of Agriculture.

The Board of School Commissioners of Mobile County recognizes that the food safety programs in the schools participating in the National School Lunch Program or the School Breakfast Program will conform to Section 111 of the Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108-265) amended section 9(h) of the Richard B. Russell National School Lunch Act.

The Board of School Commissioners of Mobile County will maintain a food safety program in each school following HACCP guidelines for the preparation and service of school meals served to children.

CHARGED MEAL POLICY

It is the intent of the Mobile County Public School System to provide an opportunity for every student to eat a nutritious breakfast and lunch during the school day. It is also the intent of the Mobile County Public School System to comply with all federal program regulations pertaining to the National School Breakfast and National School Lunch programs. Program regulations do not allow for meal charges to the Child Nutrition Program. Students must remit payment for meals at the time of service.

Each local school principal, at their discretion, may develop a written contingency plan to provide meals to a student in the event the student does not have available funds. If a student cannot pay for a meal, and there is no written contingency plan in effect, an alternate meal consisting of: 2 oz. bread/grain, 2 oz. meat/meat alternate and a carton of milk will be provided to the student. Students who have documented dietary needs will be given a meal that meets the nutritional guidelines and the specifications of their diet restrictions if an alternate meal is needed.

Date Adopted: December 11, 2007

CASH MANAGEMENT FOR FEDERAL FUND

The Board will minimize the time between the receipt of federal funds from the United States Treasury, the Alabama Department of Education, or other pass-through entity, and the disbursement of those federal funds. Federal funds will only be requested to meet immediate cash needs for reimbursement not covered by prior receipts and anticipated disbursements that are generally fixed, such as monthly program salaries and benefits. Disbursements will be made within twenty business days after receipt of funds.

The Chief School Financial Officer will maintain financial records that account for the receipt, obligation, and expenditure of each federal program fund. Cash balances for each federal program fund and for the aggregate of all federal program funds will be monitored daily by the Chief School Financial Officer or designee.

Board procedures to minimize the cash balances in federal program funds are expected to prevent the aggregate cash balance of federal program funds from earning \$500 or more for the fiscal year if maintained in interest-bearing accounts. The federal program funds, with the exception of Child Nutrition Program funds, will not be maintained in an interest-bearing bank account if the Chief School Financial Officer determines that banking requirements for minimum or average balances are so high that an interest bearing account would not be feasible. Federal program funds will be maintained in insured checking accounts that are subject to the state requirements for public deposit under the SAFE program.

**Legal Reference: U. S. Department of Education and U. S. Department of Agriculture
Part 200 Requirements**

Date Adopted: September 28, 2016

DETERMINATION OF ALLOWABLE COSTS

Before instituting a financial transaction that will require the expenditure of federal funds the federal program director and the Chief School Financial Officer or designee will determine that the proposed transaction meets the requirements for allowable costs for the federal program. Actions to determine allowable costs will assure that:

- The proposed expenditure is included in the federal program budget;
- The proposed expenditure is reasonable and necessary for the federal program;
- The proposed expenditure is consistent with procedures for financial transactions of the board including:
 - Purchase order approval procedures;
 - Contract review and approval procedures;
 - Applicable competitive purchasing procedures and;
 - Documentation supports allowability of transaction.

Before payments are made from federal funds the federal program director and the Chief School Financial Officer or designee will determine that the federal program expenditure complies with generally accepted accounting principles and complies with state, local, and federal laws, rules, and regulations.

**Legal References: U. S. Department of Education and U. S. Department of Agriculture
Part 200 Requirements
Date Adopted: September 28, 2016**

CONFLICT OF INTEREST

Generally, a conflict of interest exists when a board member, board employee, or agent of the board participates in a matter that is likely to have a direct effect on his or her personal and financial interests. A financial interest may include, but is not limited to, stock ownership, partnership, trustee relationship, employment, potential employment, or a business relationship with an applicant, vendor, or entity. A board member, board employee, or agent of the board may not participate in his or her official capacity in a matter that is likely to have direct and predictable effects on his or her financial interests.

A board member, board employee, or agent of the board will abide by the Federal and state laws and regulations that address conflict of interest standards. In general, the Federal rules provide that:

No employee, officer or agent of the board shall participate in selection, or in the award or administration of a contract supported by Federal funds if he or she has a real or apparent conflict of interest. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from the firm considered for a contract. The board's officers, employees, or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subcontracts.

The board's conflict of interest policies include adherence to the Alabama Ethics Law, which defines conflict of interest as:

A conflict on the part of a public official or public employee between his or her private interests and the official responsibilities inherent in an office of public trust. A conflict of interest involves any action, inaction, or decision by a public official or public employee in the discharge of his or her official duties which would materially affect his or her financial interest or those of his or her family members or any business with which the person is associated in a manner different from the manner it affects the other members of the class to which he or she belongs.

A board member, board employee, or agent of the board may not review applications, proposals, or participate in the evaluation or selection process where his or her participation in the review process would create the appearance that he or she is: (a) giving preferential treatment; (b) losing independence and impartiality; (c) making decisions outside official and appropriate channels; or (d) harming the public's confidence in the integrity of the board.

Situations and circumstances presenting an actual conflict of interest or the appearance of a conflict of interest should be brought to the immediate attention of the superintendent. A board employee, board member, or agent of the board who has knowledge of a possible conflict of interest should identify the conflict and notify the superintendent. The superintendent will document his or her actions related to the reported conflict of interest. Resolution can consist of disqualification, recusal, waiver, or other appropriate measures. Appropriate measures may include reporting a conflict of interest to the State Ethics Commission, the Alabama State Board of Education, or the appropriate federal agency.

**Legal Reference: U. S. Department of Education and U. S. Department of Agriculture
Part 200 Requirements
Date Adopted: September 28, 2016**

PROCUREMENT

The board will follow state laws for the procurement of property and services. The primary state procurement laws for Alabama school boards are:

- *Alabama Competitive Bid Laws (Chapter 13B of Title 16, Code of Alabama 1975);*
- *Joint Information Technology Purchasing Agreement (Chapter 13B of Title 16, Code of Alabama 1975); and*
- *Public Works Law (Title 39, Code of Alabama 1975).*

To the extent allowed by state laws, the board will utilize state, local, regional, and national purchasing agreements where appropriate for the procurement or use of goods and services. All procurement transactions are subject to the board's *Conflict of Interest Policy* and the procurement decisions of the board will:

- Avoid acquisition of unnecessary or duplicative goods and services;
- Use the most economical and efficient approach for acquisitions;
- Award acquisition contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement;
- Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources prior to awarding procurement contracts;
- Maintain records sufficient to document the history of the procurement; and
- Conduct procurement transactions in a manner that provides full and open competition.

Procurement transactions for federal programs and child nutrition programs that are not subject to the state procurement laws, but exceed the aggregate amount of the federal micro-purchase threshold, will be obtained by utilizing price or rate quotes from two or more qualified sources. State procurement laws include requirements that comply with the other Uniform Administrative Requirements for procurement of property and services.

The board will request proposals for those professional service contracts (excluding architectural and engineering services) that are exempt under state procurement laws if the contracts exceed \$150,000 and will be paid from federal or child nutrition program funds. The board will utilize a team of three or more qualified individuals to conduct a technical evaluation of proposals received and for selecting recipients. As a part of the evaluation, the individuals on the evaluation team will sign an assurance that each of the individuals is in compliance with the board's conflict of interest policy.

Legal References: U. S. Department of Education and U. S. Department of Agriculture
Part 200 Requirements

Date Adopted: September 28, 2016